

But Pentagon critics of the sale had earlier said they believed that the Chinese wanted the sensitive equipment, which included giant machine tools to shape and bend large aircraft parts, to improve their military capability. Administration officials said. At the time, the Chinese press had reported a Chinese Government plan to cut jetliner production in half, which would have reduced the civilian need for the American equipment.

In the end, some equipment sent from the United States wound up 800 miles from Beijing, at a military complex of the Nanchang Aircraft Company. The satellite photos recently uncovered show that a plant was being built in Nanchang to house a giant stretch press, a major piece of American equipment, even as Catic was telling American officials that the equipment would go to a civilian machining center in Beijing, intelligence officials said.

American officials said other documents in the case suggested that Nanchang had been the intended destination from the start. Nanchang officials, for instance, inspected some of the equipment at a McDonnell Douglas plant in Ohio 1993, before the deal was signed, and then packed up the equipment in late 1994 as it was being shipped to China, the officials said. The plan to build the Beijing machining center, the supposed destination for the equipment, was abandoned before the license was issued.

All that raises some diplomatically sensitive questions.

"We ought to send the Chinese the message that they can't divert our technology with impunity, and an indictment of Catic might even get the Chinese to talk to us seriously about proliferation," said Gary Milhollin, the director of the Wisconsin Project on Nuclear Arms Control, which has tracked the procurement activities of Catic in the United States.

Catic and its lawyers declined to answer any questions about the grand jury investigation, which, one witness said, is still in the early stages of taking testimony. Catic is based in Beijing, outside the reach of the grand jury, but records from its subsidiary in Southern California have been subpoenaed, Administration officials said.

A spokesman for McDonnell Douglas, Larry McCracken, said, "At this point, since these matters are being looked at by the United States Attorney's Office, we have no comment other than to say that McDonnell Douglas has not done anything illegal."

McDonnell Douglas, an aerospace company based in St. Louis that has agreed to merge with its longtime competitor, the Boeing Company, discovered the diversion in Nanchang in early 1995 and reported it promptly to Commerce Department officials. Commerce Department officials say the unusual conditions they attached at the last minute to the approval for the license enabled them to have the diverted equipment placed under tighter supervision at a civilian location in China.

But that took almost a year. By then, the criminal inquiry by the United States Attorney's Office in Washington and the United States Customs Service had begun. In late spring of 1996, several weeks after the grand jury had subpoenaed records from McDonnell Douglas, a company official tried to obtain the sensitive satellite photos of the Nanchang military site, intelligence officials said.

The request was eventually denied, but the question of why the company official sought the photos has become part of the investigation, intelligence officials said.

The decision to approve the export of the machine equipment pitted national security concerns against economic interests and, in the end, the latter prevailed.

"For the Administration, this has been a difficult decision, weighting jobs against counterproliferation," said Adm. Bill Center, who represented the Joint Chiefs of Staff in 1994 in deliberations within the Government about the proposed sale.

Admiral Center said, "The Joint Chiefs of Staff initially opposed the sale on national security grounds." But after considerable discussion, led by White House officials, "all of us concluded that if McDonnell Douglas didn't sell it, others would, and we wouldn't accomplish anything by saying no."

Secretary Brown, who died in a plane crash in Croatia last year, intended to raise the issue of economic and security trade-offs when he visited China in 1994. A draft of one of his speeches said, "Sales of sensitive technologies have been made despite public and political opposition."

Some sales to China may wind up being examined as part of the various inquiries into possible ties between the Chinese and the Clinton Administration.

The House Government Reform and Oversight Committee, the principal panel looking at campaign finances, has requested the use of Customs investigators who have specialized in export diversion cases, Congressional and Administration officials said.

CONGRATULATIONS TO THE TUCSON METROPOLITAN CHAMBER OF COMMERCE

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1997

Mr. KOLBE. Mr. Speaker, the Tucson Metropolitan Chamber of Commerce was founded as the Tucson Grocer's Association on October 31, 1896, by six civic-minded businessmen with the purpose to unite the business interests of Tucson, or of Tucson trade, and oppose anything tending to their injury. Since that time, the chamber has evolved into the largest Chamber of Commerce in Arizona, representing over 3,000 businesses and 75,000 employees.

Over the past 100 years, the chamber has worked steadfastly to further the interests of Tucson and Arizona. I would like to take this opportunity to mention some of their achievements.

The chamber worked faithfully to help Arizona achieve statehood. When a lavish reception for the Senate Committee exploring statehood apparently failed to impress, chamber leaders traveled to Washington to press the case personally.

In the early part of this century, the chamber organized and financed the first municipal airport in the United States and later helped establish what was to become Davis-Monthan Air Force Base. Sixty-seven years later, the chamber was also among the organizations working to successfully keep Davis-Monthan open as a security asset for the entire Nation.

In response to the growing need for the treatment of tubercular patients, particularly veterans of World War I, the chamber sent representatives to Washington to lobby for a veterans hospital and then raised the money from its own membership to pay for the building supplies. The chamber also borrowed the money to purchase the land where the current veterans hospital is established.

The chamber spearheaded and often financed infrastructure projects for the develop-

ment of the community including schools, roads, and water projects.

The chamber donated the land to lure the U.S. Magnetic Laboratory to the desert, beginning a trend that has resulted in Tucson becoming a world recognized center for optics.

Since its inception, the chamber has been active in encouraging trade with our southern neighbor, Mexico. The organization lobbied Mexico City directly in the late 1800's, to establish a customs house, and it recently lobbied our State Department to successfully retain the U.S. consulate in Hermosillo—a critical link for trade and services for both countries.

The Tucson Metropolitan Chamber of Commerce continues to benefit southern Arizona in many other ways. I would like to take this opportunity to congratulate the chamber on its first 100 years of work and wish the organization well in achieving its goals for the next century.

THE ARMENIAN GENOCIDE

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1997

Mr. LIPINSKI. Mr. Speaker, I rise today on behalf of the Armenian community in my district to mark the 82d anniversary of an unspeakable tragedy. I am referring to the genocide which claimed the lives of 1.5 million Armenians by the Ottoman Empire. Because this story has been held silent for so long, I am proud to take a few minutes to honor the victims of the genocide.

The Armenian genocide was the culmination of a long effort by the Ottoman Turks to destroy the Armenian people. During the decades preceding the First World War, the Ottoman Government tried repeatedly to achieve this goal. In 1895, 300,000 Armenian lives were claimed. In 1909, another 30,000 died before the Western powers intervened to stop the violence. This tragedy remains unrecorded in Turkish history today.

World War I provided the means for the Turkish Government to once again set out to destroy the Armenian community. With Europe and the United States occupied in war, the Ottoman Empire was able to carry out their designs without any intervention. Beginning the crusade on April 24, 1915, the genocide claimed the lives of Armenian leaders and lasted until 1923.

It is estimated that 1.5 million Armenians died at the hands of the Ottoman Empire—half of the world's Armenian population at that time. By 1923 the Turks had successfully erased nearly all the remnants of the Armenian culture which had existed on the homeland for 3,000 years.

As we take a look at the tragedy today, we see the memory of the victims insulted by those who say the genocide did not happen. A well-funded propaganda campaign forces the Armenian community to prove and reprove the facts of the genocide. This is itself a tragedy for people who would rather devote their energy to commemorating the past and rebuilding the future.

I stand here today to say that the genocide did happen. Nobody can erase the painful